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FISCAL IMPACT REPORT



SPONSOR: Park DATE TYPED: 02/01/02 HB 411

SHORT TITLE: Osteopath Gross Receipts Deduction SB _____

ANALYST: Gilbert

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$ (0.1) *See Narrative	*See Narrative	Recurring	General Fund
	\$ (0.1) *See Narrative	*See Narrative	Recurring	Local Government

(Parenthesis () Indicate Revenue Decreases)

Relates to HB 394

SOURCES OF INFORMATION

LFC Files

No Response Received

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 411 makes a technical amendment to Section 7-9-77.1 NMSA 1978, to change the word "osteopaths" to "osteopathic physicians." Although this bill is titled "Osteopath Gross Receipts Deduction", the main provision allows payments made by an "agent" to also be exempt from gross receipts tax. An osteopath gross receipts deduction currently exists within Section 7-9-77.1 NMSA 1978.

Significant Issues

Section 7-9-77.1 NMSA 1978 provides a gross receipts tax exemption for payments from the United States government to physicians for medical services rendered. The new agent exemption is defined as a person who has entered into a contract with the federal Health and Human Services Department or an authorized representative of the federal government to offer a medicare+choice

plan pursuant to 42 U.S.C. 1395w-27. Thus, payments from such an agent to a medical doctor or hospice would be exempt from gross receipts tax.

FISCAL IMPLICATIONS

HB 411 will reduce both general fund and local government revenue to some degree. However, the Taxation and Revenue Department has yet to provide an estimate of the total impact.

RLG/njw